CERS
BUILDING FOR **YOUR FUTURE**

ANNUAL REPORT AND ACCOUNTS

for the Year Ended 31st May 2013

CONSTRUCTION EXECUTIVE
RETIREMENT SAVINGS

CONSTRUCTION EXECUTIVE RETIREMENT SAVINGS

Building For Your Future

CERS are specialists in pension planning for the construction and related industries.

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Chairman's Message

We are pleased to present you with the Annual Report of Construction Executive Retirement Savings (CERS) for the year ending 31st May 2013.

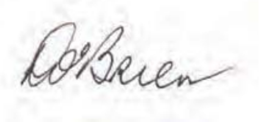
This is the first report under the CERS banner. The structure of CERS is the result of a root and branch review of the saving and pension products on offer by the Scheme. It gives members a wider choice of investment options and it gives them online access with up to date value of their savings and their prospective pension entitlement.

In conjunction with our Administration Company, CIF Pension Administration Services Ltd (CPAS), we are now in a position to offer access to comprehensive post retirement planning, protection, savings and investment solutions through CPAS Broker Services. In this way we can offer continuity of service through our people who have been dealing with the members throughout their working career.

This current report sets out the key features of the Scheme with particular emphasis on the investment performance, the statement of accounts for the year which includes the Auditor's report and the Actuaries statement. We hope that you will find the report to be of interest.

If you have any queries on the content of this report or if you require further particulars on CERS or on CPAS Broker Services please contact a member of the Administration Team at Canal House, Canal Road, Dublin 6, telephone 01 4071430 or logon to www.cers.ie or www.cpasbroker.ie.

Donal O'Brien



Chairman of the Trustee

December 2013

Key Features and Highlights of the year

- All CERS assets are totally separate from the assets of participating companies and the Construction Industry Federation.
- The Multi Asset Fund equity assets being managed by Irish Life Investment Managers continue to be managed on a passive basis.
- The KBI Fusion Fund no longer has any assets under management with CERS. This change was made with effect from May 2013.
- State Street Global Advisors Ireland Limited (SSGA), KBI and F&C all actively manage property portfolios within the Property Fund
- Funds under Management by Alder Capital Ltd., Standard Life Investments and BNY Mellon form the Alternative Asset fund. Since May 2013, there has been an increase in alternative asset holding with BNY Mellon.
- The Pensioner Fund is held on a segregated basis with a third party custodian.
- There is also a separate Bond Fund which is an investment option for active arrangements and individual member funds which is passively managed by Irish Life Investment Managers.
- In addition to the Irish Life Cash Fund, there is a portion of assets for the CERS Cash Fund on deposit with Bank of Ireland and AIB.
- Over the scheme year the Multi Asset Fund recorded a net investment return of +13.015%. Please refer to www.cers.ie/funds for information on returns from 1st June 2013 to date.
- Total benefits paid since the inception of CERS amount to €367.88 million.
- Total contributions by participating employers (and their employees) for the year amounted to €14.612 million. This represents a slight decrease over the previous 12 months.
- An actuarial valuation of the Scheme was carried out as at 31st May 2013 and this indicated that the Scheme's assets were €16.7 million in excess of its liabilities. The next actuarial valuation will be carried out to ascertain the value of the assets and liabilities as at 31st May 2014.
- At 31st May 2013 there were 992 active members in relevant employment. There were 1001 pensioners receiving benefit and 2,409 members with entitlement to deferred benefits.
- For members of defined benefit arrangements a copy of their arrangement's Annual Actuarial Statement is attached to this Report. For all members, details as to whether or not there were contributions outstanding at the renewal year end are also attached.
- The facility under the CERS Scheme whereby employees can avail of tax relief attaching to Additional Voluntary Contributions (AVCs) continues to prove attractive to employees.
- A list of participating employers is available on request to the Administration Team.

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About CERS

Construction Executive Retirement Savings (CERS) is an umbrella pension arrangement for employers in the construction and related industries. Established under Trust in 1971 with an independent Trustee Board, we have over 40 years' experience designing and managing bespoke flexible pension solutions and providing protection benefits on a cost-effective basis.

CERS is registered with the Pensions Board. It's registration number is PB3538.

NEW IMAGE – SAME GREAT BENEFITS

On 1 June 2012, Construction Executive Retirement Savings (CERS) was launched replacing the Construction Federation Executive Pension Scheme (CFEPS). We redesigned our services to include a transparent competitive charging structure, offering an increased amount of Investment Fund choices, a Lifestyling option and an informative website providing online member access.

CERS clear objectives are to:

- Provide members with **adequate and sustainable income** in retirement through promoting the benefits of making pension contributions, offering a considered range of investment choices with a low charging structure and preferential annuity rates.
- **Peace of mind** for members through death and protection benefits and for employers through our dedicated Trustee Board.
- **Transparent information** (including charges) is provided in a clear concise format on our website, booklets, and information leaflets. Experienced Pension Consultants offer one to one meetings and staff addresses.

FLEXIBLE APPROACH

We have a long history of providing flexible pension arrangements and protection benefits to employers in the construction and related industries. Over the years, we've learned to adapt to ever-changing nature of the industry with a range of flexible options second to none.

As it is important for us to meet the particular needs of each employer and member, we provide individual pension solutions for each member company.

So depending on what you need we can offer a range of options - for example:

- Normal retirement age can be between age 60 and 70
- There is a comprehensive choice of Investment Funds including a default Lifestyling option.
- There are no charges on transfers in or out of the Scheme.
- Members can make Additional Voluntary Contributions.
- You can choose from various levels of protection which can include benefits on death in service such as a lump sum benefit, a spouse's/dependant's pension and a children's pension.

INDEPENDENT TRUSTEE COMPANY

CERS has an Independent Trustee Company which offers an important additional layer of independent protection for employers and members. This removes the burden from employers and provides peace of mind at no extra cost.

The Trustee actively keep themselves informed of investment developments through regular meetings with the Investment Managers and independent Investment Adviser and fulfil their Trustee training requirements.

COMMUNICATION

Through our communications, we aim to ensure that employers and members are clear about the benefits of being a member of CERS and understand the importance of their retirement savings. Our aims are to:

- Communicate clearly with our members using every day, positive language
- Maintain and improve member appreciation of the benefits from CERS as a valuable asset
- Provide better access to information
- Raise the profile of CERS and promote membership

A key element of our communication is a strong visual identity reinforcing the message that a pension is 'Building for your future'.

An entire suite of literature and brand identity is available including separate Employee & Employer booklets, information leaflets, forms, pensioner cheques, and business cards. Our new Administration System was developed to streamline administration and a new informative website was designed which gives members online access to their fund information.

CERS now have a dedicated website www.cers.ie with relevant information, literature and forms for employers, members, non-members and pensioners. We also provide members with secure online access where they can view details of their retirement savings and daily updated values of their accounts. On this interactive part of the website, members are able to update personal information and contact the experienced Administration Team at CERS. We are in the process of developing an online pension calculator which members can use to calculate various scenarios regarding their own retirement savings and develop their own individual retirement savings strategy.

IRISH PENSIONS AWARDS

In recognition of the large communication exercise undertaken following our rebrand, we are pleased to announce that in November 2013, CERS was awarded the "Best Communication Strategy" at the Irish Pensions Awards.

CERS is designed to meet the needs of today's members, giving them the opportunity to build a pension for retirement, whilst providing other important protection benefits.

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Looking after your Scheme

Trustee	Construction Executive Retirement Savings Trustee Limited
Officers of the Trustee	Directors Donal O'Brien (Chairman) Leo Crehan Oliver Haslette (Retired 20th June 2012) Brian O'Neill Gerry Morrissey Conor Scott Richard P Treacy
Company Secretary	Gerry Murphy (Retired 20th March 2013) Gabriel P. MacGrath (Appointed 20th March 2013)
Secretary to the Trustee	Pat Ferguson
Scheme Administrators	CIF Pension Administration Services Ltd. (CPAS) Canal House, Canal Road, Dublin 6

CERS Administration Team

General Manager:	Mary Burke
Consultants:	John Geraghty, Susan O'Mara, Damien Starken and Paula Thornton
Administration Manager:	Frances McNally
Administration:	Lizzie Baxter, Sandra Blake, Carol Briody, Aisling Keane, and Siobhan McCabe

Actuaries	D McNamee FIA Consulting Actuary Towers Watson Ireland Limited, Trinity Point, 10 - 11 Leinster Street, Dublin 2
Auditors	Grant Thornton, Chartered Accountants & Registered Auditors 24–26 City Quay, Dublin 2
Bankers	Allied Irish Banks Plc. 1 Lower Baggot Street, Dublin 2
Custodians	Bank of Ireland Securities Services New Century House, International Financial Services Centre, Mayor Street Lower, Dublin 1
	Citibank Europe Plc. 1 North Wall Quay, International Financial Services Centre, Dublin 1
Investment Managers	Alder Capital 61 Merrion Square, Dublin 2
	BNY Mellon Asset Management (Appointed January 2012) Administration Centre, Harcourt Building, Harcourt Street, Dublin 2
	F & C Ireland Limited Block 5, Harcourt Centre, Harcourt Road, Dublin 2
	Irish Life Investment Managers Limited Beresford Court, Beresford Place, Dublin 1
	KBI Dublin Limited Joshua Dawson House, Dawson Street, Dublin 2
	Standard Life Investments 1 George Street, Edinburgh, EH2 2LL Scotland
	State Street Global Advisors Ireland Limited 2 Park Place, Upper Hatch Street, Dublin 2
	Bank of Ireland Ranelagh, Dublin 6
Insurers	Irish Life Assurance Plc. Beresford Court, Beresford Place, Dublin 1
Solicitors	Arthur Cox Earlsfort Centre, Earlsfort Terrace, Dublin 2

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Investments

Overview of investments

1st June 2012 to 31st May 2013

The period under review was marked by the launch and progressive implementation of the major strategic review undertaken by the Trustee. The key investment aspects of this review included:

- The launch of Construction Executive Retirement Savings.
- The re-launch of the Main Fund as the Multi Asset Fund and its role as the default option in members' investment strategy.
- The re-affirmation of balance and diversification over and within asset classes as a core investment philosophy of the Trustee consistent with their objective of optimising investment returns, i.e. of generating the best possible returns subject to an appropriate degree of risk.
- The widening of member choice by making the various funds at the asset level –bonds, equities, property, alternative investments and cash- available to members.
- An improvement in the diversification and spread of the Bond and Equity Funds by introducing corporate bond and increased emerging market exposure respectively.
- A rebalancing of the Alternative Investments Fund with a sharper focus on liquidity, return and cost efficiency.
- A reiteration by the Trustee that the objective of the Cash Fund is to provide capital security. Its focus continues to be on high quality Euro denominated bank deposits and other cash like instruments.

The asset distribution of the Multi Asset Fund at year end 31st May 2013 was:

Asset Type	Manager	% Weight
Equity	Irish Life Investment Managers	55.00
Bonds	Irish Life Investment Managers	17.80
Alternative Assets	SLI GARS, BNY Mellon & Alder Currency	15.00
Property	SSGA, F&C, KBI	7.80
Cash	Irish Life Investment Managers & Bank Deposit	4.40

A full description of the long term strategic asset allocation determined by the Trustee is set out in the Statement of Investment Policy Principles (SIPP) which is available on page 18.

Alder Capital Ltd

How the assets are managed

The Alder Capital Currency Fund uses a systematic investment process to invest in the following major liquid currencies: EUR, USD, JPY, AUD, CAD, GBP and SEK. The system has four main drivers of return: (i) a trend-following component; (ii) a ranging component; (iii) a yield component and (iv) a momentum-of-yield component.

Value of the assets

Value of the assets at 31st May 2012	€ 2,857,382
Net contribution	€ -
Appreciation / Depreciation	€ 314,308
Value of the assets at 31st May 2013	€ 3,171,690

Overview of Investment performance

The 12 month period ending 31 May 2013 (the "Period") saw an increase of 11.0% in the value of the assets owned by CERS.

In the Period, the biggest contributor to the positive performance came from the trend-following and the yield components of Alder Capital's trading system.

There were two main currency positions that delivered the bulk of the gains: (i) selling Euro and buying Australian dollar; and (ii) buying U.S. dollar and selling Japanese yen.

Over the Period Australian dollar appreciated strongly against the Euro. The Euro had been under pressure most notably from the problems in Greece and then Cyprus. The Australian dollar on the other hand benefited from higher interest rates than other developed world countries and its relationship with China.

In Q4, 2012, Japan elected a new pro-inflation government understood to be committed to using quantitative easing to help stimulate inflation. Japan has been suffering deflation for much of the last 20 years, so the pro-inflation stance of the new government is a big change in policy and was seen by the market as Japanese yen negative. The Japanese yen weakened against the U.S. dollar and this also contributed to the gains in performance.

Investment return for the period +11%

BNY MELLON ASSET MANAGEMENT

BNY MELLON

How the assets are managed

The objective of the Sub-Fund is to achieve a total return in excess of a cash benchmark over an investment horizon of 3-5 years. The fund has a performance aim of 4% in excess on the 1 month Euribor and 4% p.a over 5 years before fees.

Value of the assets

Value of the assets at 31st May 2012	€ 1,997,438
Net contribution - Subscriptions	€ 7,900,000
Appreciation / Depreciation	€ 114,210
Value of the assets at 31st May 2013	€ 10,011,648

How the assets are invested

Equities		Bonds	
North America	20.30%	Govt Bonds	11.70%
Europe Ex UK	18.26%	Corp Bonds	10.42%
UK	14.33%	Index Linked Govt	1.23%
Japan	3.49%		
Pacific Ex Japan	1.09%	Total Bonds	23.36%
Other	0.92%		
Total Equities	58.42%	Convertibles	2.06%
		Cash & Cash Equivalents	14.45%
		Other	0.00%
		Commodities	3.10%
		Derivatives	-1.38%
		TOTAL	100.00%

Overview of Investment Performance

Q3 2012

Gold mining equities and exposure to physical gold produced the largest contribution to overall Fund return, aided by the realisation that the Fed was committed to reflationary policies in a drive to boost employment growth. Corporate bonds, in particular, those of lower rated companies, benefited from the optimism in markets.

As the US dollar weakened against the euro, the long position against the US dollar proved negative. The short protective position against sterling also proved a negative contributor over the quarter. The direct protection in place was not utilised since risk assets rose, and therefore represented a small cost to the Fund.

Investment performance

Q4 2012

The Fund's defensive strategic positioning meant that it was not favourably placed to deliver returns against the very strong financial markets of the final quarter. The Fund delivered a negative return, primarily on account of sector selection and stock-specific events within equity holdings.

Sectors of the market that produced negative returns over the quarter included telecommunications, utilities, pharmaceuticals, oil & gas producers, some of the Fund's most significant exposures, and this was against a rising market driven by financials, real estate and construction. We maintain our conviction that gold has and will prove to be a natural beneficiary of the current policy environment; however, the price of gold has proved to be volatile, and its mid-single-digit decline over the quarter had a significant impact on the Fund's gold-related holdings.

Q1 2013

Healthcare stood out as a positive sector, benefiting from the rally in defensive areas. Pharmaceutical leaders GlaxoSmithKline, Roche Holdings and Novartis were just some of the healthcare companies among the top contributing holdings. Telecommunications was also an area of positive contribution, with the recent addition to the Fund of Softbank and long-term holding Sprint Nextel proving particularly strong since their recent tie-up.

Corporate debt exposure which, on the whole, consists of higher yielding European holdings, provided a positive contribution, as it continued to benefit from the favourable market environment. Government debt provided a notable contribution to the Fund's overall return, particularly Australian government and state debt. We continued to employ direct hedges on the S&P 500 and FTSE 100 indices. This direct portfolio protection was a cost over the period, given the rise in equity markets on which it is written.

Q2 2013

The Fund's equities dropped in value over the period, as the characteristics for which we bought them were no longer deemed attractive by investors, assuming that growth rates and bond yields are to normalise (which we doubt). Despite the weakness in June, the telecommunications, health care and consumer goods sectors provided a positive contribution over the quarter, led by stocks such as GlaxoSmithKline, Sanofi, Roche, Reynolds American, Softbank and Sprint Nextel.

The Fund's government bond holdings were adversely impacted; as yields increased, growth expectations normalised and the safe-haven properties of government bonds were deemed surplus to requirements.

Investment return for the period **+7.01%**

Irish Life Investment Managers

Irish Life
Investment Managers

How the assets are managed

The long term investment objective is to achieve a return on fund assets which is sufficient, over the long-term, to meet the funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets, whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided a lower return.

Your fund invests through Irish Life's range of unit-linked pension funds. Virtually all of these assets are readily tradable on recognised markets or exchanges. Our unit-linked funds are managed very prudently, so that the security of your fund's assets is high. The funds are valued daily in accordance with recognised practices.

How the assets are invested

Alpha Main Fund 2 – Equity Fund

The Alpha Main Fund 2 is managed on a passive basis - 85% against the FTSE® World Index & 15% MSCI Emerging Markets. The fund tracks the market return by investing in a basket of securities in the same proportion as they are represented in the market index. The fund is re-balanced on a monthly basis. 50% of US Dollar Currency Exposure is hedged.

Value of the assets

Value of the assets at 6th June 2012 (inception)	€ 90,294,479
Net contribution - Subscriptions	(€ 17,548,602)
Appreciation / Depreciation	€ 18,553,077
Value of the assets at 31st May 2013	€ 91,298,954

Asset Type	Region	% Weight
Equity	US	48.37%
	Emerging Markets	13.89%
	Eurozone	10.03%
	Japan	8.05%
	Uk	7.66%
	Pacific	6.75%
	Europe ex Eurozone	5.05%
	Global	0.20%
	Total	**100.00%**

The investment return for the period was +25%

Irish Life Investment Managers

CFE Fixed Income Fund - Bond Fund

The CFE Fixed Income Fund is a passively managed unitised fixed interest fund. Its objective is to perform in line with its benchmark of 75% Merrill Lynch >10 Year Sovereign Bonds and 25% Merrill Lynch EMU Large Cap Non-Financial Corporate Bonds. The fund is re-balanced on a quarterly basis.

Value of the assets

Value of the assets at 6th June 2012 (inception)	€ 33,015,059
Net contribution - Subscriptions	€ 1,842,054
Appreciation / Depreciation	€ 2,969,965
Value of the assets at 31st May 2013	€ 37,827,078

Asset Type	Region	% Weight
Bond	Eurozone	100%

The investment return achieved for the Bond Fund for the period was 7.6%

Alpha Cash Fund Series 4 - Cash Fund

The Cash Fund aims to provide capital security through investment predominately in managed mixed deposits together with short dated gilts and money market instruments. This fund can be used as part of a diversified portfolio and to protect fund values against falling equity markets

Value of the assets

Value of the assets at 31st May 2012	€ 45,687,221
Net contribution - Subscriptions	€ 3,052,281
Appreciation / Depreciation	€ 72,097
Value of the assets at 31st May 2013	€ 48,811,599

Asset Type	Region	% Weight
Cash	Eurozone	100%

The investment return achieved for the Alpha Cash Fund Series 4 for the period was +0.2%

Irish Life Investment Managers

Pensioner Fund

The Pensioner Fund invests in fixed income Securities through a segregated (CERS) account. Virtually all of these assets are readily tradable on recognised markets or exchanges. The securities are valued daily in accordance with recognised practices.

The Pensioner Fund invests in a bespoke mix of Fixed Income Securities – Nominal and Inflation Linked. The fund is managed to a specific duration target as instructed by the Scheme Actuary and Investment adviser from time to time. The fund is re-balanced on instruction.

Value of the assets

Value of the assets at 31st May 2012	€ 198,115,984
Net contribution - Subscriptions	(€ 14,567,344)
Appreciation / Depreciation	€ 35,370,712
Value of the assets at 31st May 2013	€ 218,919,352

Country	% Weight
Italy	35.12%
France	24.70%
Ireland	16.00%
Belgium	8.44%
Spain	6.41%
Germany	5.07%
Netherlands	2.53%
Austria	1.07%
Finland	0.25%
Slovakia	0.20%
Slovenia	0.18%
Luxembourg	0.01%
Total	**100.00%**

The investment return achieved for the Pensioner Fund for the period was +18.6%

The investment returns quoted above are gross and do not allow for the Government Pension Levy of 0.6% at 30th June 2012. All valuations are shown using bid prices. This is in accordance with changes to the Statement of Recommended Practice (SORP 2002 – Revised May 2007) Financial Reports of Pension Schemes.

Overview of investment performance

The year ending 31st May 2013 has seen financial stresses and volatility in financial markets, result in large swings in both sentiment towards riskier assets and the returns from these markets. The FTSE® World Index returned 21.60% for the year ending 31st May 2013.
While conditions remain difficult in the Irish economy, there have been some recent signs of stability in economic releases and the ISEQ returned 34% for the year ending 31st May 2013.

German government bond yields are close to record low levels as these bonds have been benefiting from the flight towards safer asset classes. The Merrill Lynch EMU >5 yrs. bond index returned 9.77% for the year to the end of May 2013.

Property returned 0.1% to the year ended 31st May 2013. Capital values have remained under pressure as has rental growth but income returns have provided some offset.

Standard Life Investments

Standard Life Investments

How the assets are managed

The GARS fund aims to provide positive investment returns in a variety of market conditions. The investment team who actively manage the fund have a wide investment remit to help them try to achieve this aim. The team look to exploit market inefficiencies through active allocation to highly diversified market positions over a 3 to 5 year time horizon. They aim to adopt these market positions using a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques.

Value of the assets

Value of the assets at 31st May 2012	€ 10,724,398
Net contribution	(€ 63,782)
Appreciation / Depreciation	€ 963,845
Value of the assets at 31st May 2013	€ 11,624,461

Overview of Investment performance

Following central bank stimulus efforts, markets recovered momentum from June into the second half of 2012. Our core equity positions contributed positively, as did corporate bonds. Our interest rate and duration strategies generally added value, including the recently introduced Australian interest rates and Germany versus France duration strategies. A further equity market rally in the fourth quarter of 2012 generated strong returns from European and Russian equities. Within the US market, small-cap stocks outperformed large caps, which was negative for the Fund. However, a new position in global listed real estate proved beneficial. During this period, we implemented a number of new strategies, including several relative value and relative volatility strategies. For example, we introduced a foreign exchange strategy positioned to benefit from increased volatility in the Chinese renminbi compared to the Japanese yen. We also introduced a position favouring the Indian rupee versus the Singapore dollar.

The upbeat market tone persisted into 2013, although inconclusive Italian elections in February and a controversial Cypriot bank rescue plan in March unsettled European financial markets for a time. A raft of disappointing economic data in April made little impression on sentiment, as favourable political and monetary developments emboldened investors to move still further along the risk spectrum. Most major developed equity markets ended higher again in May. However, this masked weakness in the latter part of the month, after the US Federal Reserve hinted at a possible tapering off of QE. This also caused a marked sell-off in global fixed income markets, with government bonds underperforming corporate credit.

A notable feature through the early months of 2013 was the strengthening of the US dollar. This rewarded our relative value currency positions favouring the US dollar versus the yen, the Canadian dollar and the euro. However, the increasingly favourable US economic outlook hurt our position preferring large cap US equities versus small cap. As they had in 2012, credit positions provided a strong source of performance in 2013, before selling off in May. This had negative repercussions for our global real estate exposure in the month, as the yields available from real estate became relatively less attractive.

Investment return for the period **+9%**

Bank of Ireland

Bank of Ireland
For small steps, for big steps, for life

How the assets are managed

The Assets in question are held in a cash based deposit account at agreed rates.

Value of the assets

Value of the assets at 31st May 2012	€5,108,770
Interest accrued at roll over date 21/12/2012	€ 94,645
Value of the assets at 31st May 2013	€5,203,415

How the assets are invested

The assets are held on deposit in Ireland

Property Commentary year ending 31st May 2013

The Fund's property exposure is diversified across regions, Ireland, the U.K. and Europe, across the office, retail and industrial sectors and across the Fund's three specialist property fund managers, SSGA, KBI and F&C.

Despite increased demand from both domestic and overseas investors for prime Dublin office property and the continuing strength of prime London assets, ongoing weakness in the Irish retail property market and in secondary locations generally resulted in a disappointing outcome for the year.

The SSGA Exempt Property Trust continued to perform relatively well outperforming its peers and generating a positive return for the year as it benefited from better demand for prime assets in Dublin and London.

The KBI fund is a fund of European property funds which invests in a portfolio of 12 funds with exposure to 20 countries and 357 commercial assets. There is no debt at the fund level but weakness in non-prime locations mainly in southern Europe has had an adverse impact on the value of the leveraged underlying funds.

The F&C Property Fund invests in Irish property. The Fund has benefited from the increase in activity in the domestic prime office sector but a fuller recovery continues to be impeded by its investment in a large vacant office block in Dublin.

The Irish commercial property market showed clear signs of improvement as the year progressed. A stabilisation of yields and capital values will permit the very high rental yields now available to come through in Fund returns.

CERS Investment returns (net) for the Scheme year ending 31st May 2013*

CERS Multi Asset Fund	CERS Bond Fund	CERS Cash Fund	CERS Equity Fund	CERS Property Fund	CERS Alternative Asset Fund
+13.015%	+7.033%	-0.507%	+24.29%	-4.72%	+5.95%

* The returns above are net of the Government Pension Levy.

Please refer to www.cers.ie or contact CERS for a note of returns from 1st June 2013 to date.

05
Statement of Investment Policy Principles

Introduction

Section 59 of the Pensions Act requires that the Trustee prepare a statement describing the principles underlying their investment policy.

This statement has been prepared in consultation with our actuarial and investment advisors. It will be reviewed at least every 3 years and revised whenever there is a change in our investment principles

Overview

The assets of the Scheme are sub-divided into 2 separate sections for investment purposes:

The Pensioner Fund invests primarily in a combination of fixed interest and inflation linked Eurozone government bonds.

The Member Selected Funds consist of 6 sub-funds, as follows:

a) The Equity Fund

b) The Bond Fund

c) The Property Fund

d) The Cash Fund

e) The Alternative Assets Fund

f) The Multi Asset Fund, which in turn invests in funds a) to e) above

THE PENSIONER FUND

The Pensioner Fund holds assets in respect of retired members and certain deferred members who are no longer a direct liability of an employer's sub-fund.

Investment Objective and Asset Allocation

The investment objective for the Pensioner Fund is to hold assets which as far as practicable will "match" its liabilities. This means holding a portfolio of assets which will, as closely as possible, change in value in line with changes in the value of these liabilities as financial conditions change.

The liabilities in question fall into two broad categories

- Liabilities which are linked to the rate of Irish price inflation and
- Liabilities which are not inflation linked e.g. pensions in payment which do not increase while in payment or which increase at a fixed rate.

Inflation linked liabilities are "matched" by holding inflation linked bonds of average duration equivalent to the average duration of these liabilities. As it is not possible to purchase stocks of sufficiently long duration linked to Irish price inflation the Pensioner Fund invests partly in stocks of shorter duration linked to Irish inflation and partly in stocks of longer duration linked to Eurozone inflation. While rates of Irish and Eurozone inflation may diverge in the short-term, it is considered that investment in stocks linked to Eurozone inflation provides the best available long-term match for liabilities linked to Irish inflation in the expectation that rates of inflation within the Eurozone will converge in the long-term. The index linked stocks held are predominantly issued by or guaranteed by a Eurozone government.

Fixed Liabilities are "matched" by holding Eurozone government fixed interest stock of average duration equivalent to the average duration of these liabilities.

The Pensioner Fund is therefore entirely managed on a matched basis by reference to its liabilities.

Risk Measurement and Monitoring

The principal investment risk facing the Pensioner Fund is that the change in the value of its assets fails to match the change in the value of its liabilities as bond yields and rates of inflation change. This risk is managed by reviewing on an annual basis the suitability of the stocks held to match these liabilities. This includes a review of:

(a) The overall value of the liabilities of the Pensioner Fund held in respect of the "Matched Liabilities" having regard to cash flows and new retirements during the year.

(b) The proportion of the Pensioner Fund to be held in fixed interest bonds and the proportion to be held in inflation linked bonds.

(c) The duration of the stocks held by comparison with the duration of the liabilities of the Pensioner Fund.

The financial effect of investment risk is quantified each year as part of the overall actuarial valuation of the Scheme.

MEMBER SELECTED FUNDS

There are 6 Member Selected Funds as noted above. Defined Contribution members who have not yet retired may direct that their retirement accounts be invested in any combination of one or more of these funds. In the case of Defined Benefit schemes, the Trustee in consultation with the Sponsoring Employer and having regard to the liabilities of the Scheme will determine the combination of funds to be used having regard to the principles set out in paragraph 5 below.

A lifestyle option based on gradual de-risking of investment strategy over the last 7 years prior to a member's anticipated retirement age is available to Defined Contribution members who do not wish to or feel they are unable to make their own fund choice. Details of the lifestyle option are contained on page 25.

Each of the Member Selected funds has its own investment strategy, as follows:

THE EQUITY FUND

The Equity Fund invests in a diversified manner in global equity markets including an allocation to emerging markets. The Fund is passively managed. This means that the Fund holds all of the shares in the relevant benchmark indices in proportion to their relative market capitalisation. The benchmark indices for the Fund are currently:

FTSE World Developed Index	85%
MSCI Emerging Markets Index	15%

This passive approach to investment eliminates manager risk i.e. the risk that the Investment Manager might underperform index returns. The passive manager used for the Equity Fund and the benchmark indices used are subject to Trustee review on a regular basis. The Trustee may also from time to time decide to hedge all or part of the currency risk arising from investment in non Euro markets.

As the Fund invests entirely in shares it may be expected to exhibit a high level of volatility in line with the performance of global stock markets. The value of the Equity Fund may therefore rise or fall considerably over relatively short periods (possibly by 30% or more). However, in the long term the expected return from the Equity Fund is greater than that expected from any of the other fund choices available under the Scheme. The Equity Fund may therefore be a suitable vehicle for younger members who have many years to go to retirement and are more concerned with maximising long term return than with short term volatility.

THE BOND FUND

This Fund invests in a diversified manner in European Monetary Union (EMU) bond markets with an initial allocation of 75% to bonds issued by EMU Governments and 25% to bonds issued by large EMU companies (but not financial companies). The Bond Fund is passively managed i.e. it is designed to replicate (or track) the returns of the relevant bond market indices. The initial allocation of the Fund will be in line with the following indices:

The Merrill Lynch over 10 year EMU Government bond index	75%
The Merrill Lynch EMU large capitalisation non financials corporate bond index	25%

The allocation to Government bonds is by reference to the Gross Domestic Product of each EMU country. Only investment grade bonds are included. The allocation to Corporate bonds excludes the bonds of companies in the financial sector.

This passive approach to investment eliminates manager risk i.e. the risk that the Investment Manager might underperform the relevant indices. The Investment Managers used for the Bond Funds and the benchmark indices used will be reviewed on a regular basis by the Trustee.

The Bond Fund may be expected to exhibit some volatility (but not generally as much as the Equity Fund). In particular, if interest rates increase the value of the Bond Fund may be expected to fall. In the longer term the return to be expected from the Bond Fund is less than the expected return from the Equity Fund but more than the expected return from the Cash Fund. The Bond Fund may also be a suitable vehicle for Scheme members who, in the years approaching their retirement, wish to align some or all of their investments with the cost of purchasing a pension on retirement. This is because the value of the Bond Fund may be expected to move broadly in line with the cost of buying a pension as interest rates change.

THE PROPERTY FUND

The Property Fund is invested in three underlying unitised property funds managed by separate managers. As well as this diversification across managers, the Fund is geographically diversified with Ireland the largest element but with exposure also to the United Kingdom and Europe. The Fund also provides diversification across the major property sectors i.e. office, retail and industrial.

The value of the Property Fund may fluctuate considerably over relatively short periods. In some years the return provided may be a negative, perhaps significantly so. Property is a relatively illiquid asset which may exacerbate market fluctuations (both up and down) and may also lead to delays in implementing redemptions (or withdrawals) from the Property Fund.

In the longer term the return from the Property Fund may be expected to be somewhat lower than that from the Equity Fund. However, the Property Fund may experience long periods during which values decline.

The Trustee review the managers and strategy adopted for the Property Fund on a regular basis.

THE CASH FUND

The Cash Fund may invest in Euro denominated Bank deposits and other cash-like instruments such as certificates of deposit, treasury bills and short term bonds. The Fund's focus is to place money with high quality counterparties i.e. banks and other issuers. The Fund's exposure to counterparty risk is rigorously managed by a policy of diversification which controls the maximum amount that may be invested in any individual country, bank or issuer. The credit worthiness of counterparties is subject to ongoing review by the Fund's Investment Manager.

As the Cash Fund is invested entirely in bank deposits and other similar instruments it may be expected to provide a return in line with Euro deposit rates with a stable capital value. The Cash Fund may be a suitable vehicle for those Scheme members who, in the years approaching their retirement, wish to preserve the capital value of some or all of their investments (in particular that part of their fund which they plan to take as a lump sum). In the longer term, the Cash Fund is unlikely to provide a return sufficient to support members' benefit expectations and in times of very low interest rates may provide negligible or even slightly negative returns.

The Trustee review the manager and strategies used for the Cash fund on a regular basis.

THE ALTERNATIVE ASSETS FUND

The Alternative Assets Fund invests in a wide range of assets and strategies. For example, the Alternative Assets Fund may contain investments in currency funds, commodity funds, hedge funds and absolute return funds. Hedge funds may employ a wide range of different strategies some of which may be relatively high risk. Absolute return funds typically aim to deliver modest absolute returns relative to a cash benchmark at relatively low risk. Hedge funds and absolute return funds may use financial instruments (e.g. derivatives) in their investment strategies. The Alternative Assets Fund is diversified across a range of assets, strategies and managers. The objective of the Alternative Assets Fund is to reduce volatility through diversification.

The Alternative Asset Fund may be expected to exhibit a level of volatility which is somewhere between that exhibited by the Bond and Equity Funds. Similarly, the return to be expected in the longer term from the Alternative Assets Fund would normally be considered to be lower than the expected return from the Equity Fund but greater than the expected return from the Bond Fund. This Fund may be a suitable vehicle for part of a member's assets to improve diversification. The underlying funds and assets in which the Alternative Assets Fund invests are reviewed regularly by the Scheme Trustee.

THE MULTI ASSET FUND

The Multi Asset Fund invests in each of the other five funds by reference to a central or target allocation. The allocation to each fund will vary from the central allocation within a permitted range from time to time to take account of market conditions as determined by the Trustees. The central allocation and permitted ranges are as follows:

Sub Fund	Central Allocation	Permitted Range
Bonds	20%	15%-25%
Equities	55%	50%-60%
Alternative Assets	13%	10%-16%
Property	6%	3%-9%
Cash	6%	3%-9%

The Multi Asset Fund may be expected to exhibit the same characteristics as regards volatility and expected returns as the underlying funds in which it invests. However, overall volatility is reduced by investing across the full range of funds and the level of volatility experienced is likely to be lower than the Equity Fund but greater than the Bond or Cash Funds. Similarly, the expected long term return from the Multi Asset Fund would normally be considered to be lower than that of the Equity Fund but greater than that of the Bond or Cash Funds. The central allocation to each of the five sub funds will be subject to regular review by the Trustee. The Trustee also review the managers and strategies used for each of the underlying Funds on a regular basis.

Summary – Volatility and Expected Returns

Fund	Volatility	Long term expected return
Equity Fund	5	5
Property Fund	5	5
Multi Asset Fund	4	4
Alternative Asset Fund	4	4
Bond Fund	3	3
Cash Fund	1	1

5	High
4	High to Moderate
3	Moderate
2	Moderate to Low
1	Low

DEFINED BENEFIT SUB-SCHEMES – MEASUREMENT AND MANAGEMENT OF INVESTMENT RISK

In the case of Defined Benefit sub-schemes, investment risk is measured relative to the liabilities of the sub-scheme and is assessed at each triennial actuarial valuation. Investment risk is managed as set out below.

The Trustee require that the strategy outlined below be implemented as a condition of their supporting an extended funding proposal period of more than 3 years.

At the date of each actuarial valuation (normally every 3 years) the percentage of past service liabilities to be invested in the Bond Fund is calculated in accordance with the following table based on the age distribution of the employed and deferred members in the sub-scheme at the valuation date.

Period Remaining to Normal Retirement Date	% Of Past Service Liabilities to be Invested in Bond Fund
0 – 3 years	75%
3 – 5 years	50%
5 – 7 years	25%
Over 7 years	Nil

The balance of the assets of the sub-scheme is invested in the Multi Asset Fund.

This calculation results in an overall percentage of past service liabilities to be invested in the Bond Fund. This percentage is applied to the value of existing assets to determine the proportions to be invested in the Bond Fund and the Multi Asset Fund. Future contributions are allocated in the same proportions. Disinvestments to fund retirements will be made 75% from the Bond Fund and 25% from the Multi Asset Fund unless otherwise advised by the Scheme Actuary.

This strategy will be implemented on a phased basis as funding proposals, requiring a recovery period of more than 3 years, are implemented for each DB sub-scheme. Where the application of this strategy results in a material increase in the proportion of existing assets to be invested in the Bond Fund the increased bond content may be implemented on a phased basis in consultation with the Sponsoring Employer over the funding proposal period.

The employer sponsoring a DB sub-scheme may in consultation with the Trustee opt to have a greater allocation to the Bond and Cash funds than is derived from this strategy.

In the case of sub-schemes which do not require an extended recovery period the investment strategy to be adopted is determined by the Trustee in consultation with the Sponsoring Employer having regard to the liabilities of the DB sub-scheme.

DEFINED CONTRIBUTION SCHEMES AND ADDITIONAL VOLUNTARY CONTRIBUTIONS

The Trustee' key investment objectives in relation to DC members and those paying AVCs are:

- To provide a suitable range of fund options to meet the requirements of individual members and
- To provide members with adequate information in relation to these options.

It is acknowledged that individual members will have different requirements depending on their age, their attitude to risk and investment knowledge.

RISK MEASUREMENT AND MANAGEMENT

The risks considered by the Trustee in determining the fund options currently available and their response to the management of these risks are shown below:

(a) The risk of insufficient long-term capital growth for younger members - managed by providing access to the Multi Asset Fund which has a benchmark allocation of 74%.

(b) The risk that the value of a member's investment account may fall shortly before retirement due to stock market volatility leading to a permanent loss of retirement income - managed by offering members a Cash Fund to which they may transfer as they approach retirement.

(c) The risk that bond yields may fall shortly before retirement leading to an increase in annuity costs and a permanent loss of retirement income - managed by offering the Bond Fund to which members may transfer as they approach retirement.

(d) The risk that members may have insufficient investment knowledge to make appropriate choices in relation to the investment of their accounts. This risk is managed by a Lifestyle Option which is also the default option in the event that a member does not make a written fund choice.

(e) The risk that individual Investment Managers may underperform leading to a loss of investment return - controlled by offering funds which are mainly managed on a passive basis and by broadly diversifying the Alternative Assets Fund.

(f) The risk of loss due to inadequate diversification and/or investment in unregulated markets - managed by only offering unitised funds which are themselves broadly diversified and which invest mainly in regulated stock markets.

APPENDIX

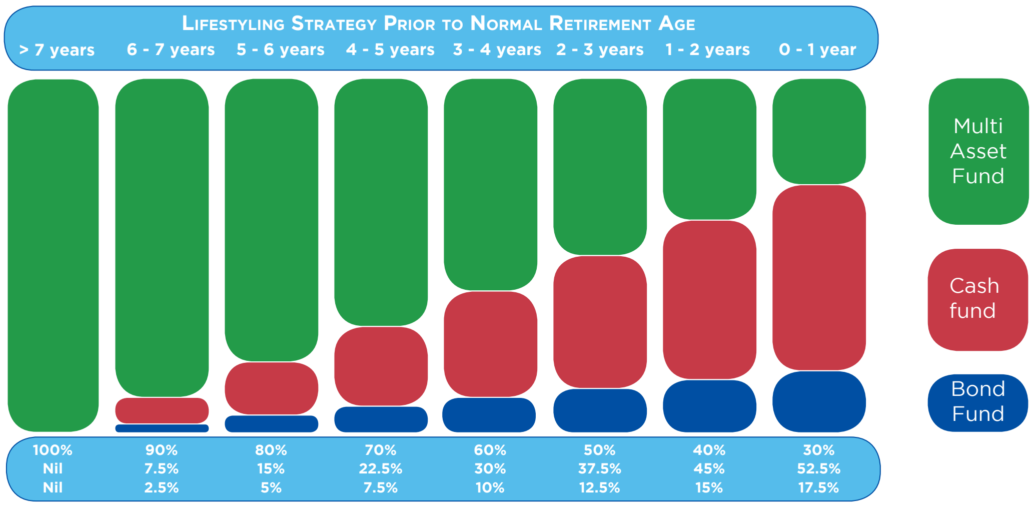
CERS - STRUCTURE OF LIFESTYLING ARRANGEMENT

It has been agreed that the Lifestyling Option will invest in the multi asset fund until 7 years prior to a member's normal or stated retirement age with 10% being automatically transferred to a combination of the Cash and Bond funds (75% cash and 25% bonds) in each of the last 7 years.

The management of the Lifestyling Option will therefore involve 7 switches of existing assets and 7 contribution redirections at annual intervals for a member who retires at their normal retirement age. The Scheme will have 4 switch dates each year, 1 January, 1 April, 1 July and 1 October. For any one member the first switch and contribution redirection will occur on the quarterly switch date immediately after the date which is 7 years prior to the member's normal or anticipated retirement date. For example, in the case of a member who is due to retire on 17 November 2020, the first switch date applicable to them would be 1 January 2014 with subsequent switches at yearly intervals.

On a switch date a member's existing assets would be rearranged to correspond with the Lifestyling matrix (see below). This will normally involve selling units in the Multi Asset Fund and buying units in the Cash and Bond funds although in times of extreme market volatility the opposite may occur (e.g. if equities fall sharply in value between switch dates). Ongoing future contributions payable by or in respect of a member would also be invested in accordance with the Lifestyle matrix with effect from the switch date.

THE LIFESTYLING MATRIX IS AS FOLLOWS:



For example, in the case of a member who is due to retire on 17 November 2020 the member's account would be fully invested in the Multi Asset Fund up to 31 December 2013. On 1 January 2014 the member's existing assets would be switched to achieve a 90% allocation to the Multi Asset Fund, a 7.5% allocation to the Cash Fund and a 2.5% allocation to the Bond Fund. With effect from the same date ongoing future contributions would be split 90% to the Multi Asset Fund, 7.5% to the Cash Fund and 2.5% to the Bond Fund.

On the next switching date (1 January 2015) the member's existing assets would again be switched to achieve an allocation of 80% to the Multi Asset Fund 15% to the Cash Fund and 5% to the Bond Fund. Contributions payable after this date would also be allocated 80% to the Multi Asset Fund, 15% to the Cash Fund and 5% to the Bond Fund.

This process would continue until 1 January 2020 when existing assets would be switched to achieve an allocation of 30% to the Multi Asset Fund, 52.5% to the Cash Fund and 17.5% to the Bond Fund. Future contributions with effect from the same date would be allocated 30% to the Multi Asset Fund, 52.5% to the Cash Fund and 17.5% to the Bond Fund. No further switches or redirections would be implemented prior to the member's retirement date (unless the member specifically requests to leave the Lifestyle structure).

06
Financial Statements for the Year Ended 31st May 2013

Statement of Trustee Responsibilities

The accounts are the responsibility of the Trustee. Irish pension legislation requires the Trustee to make available for each scheme year the annual report of the Scheme, including audited accounts and the report of the auditor. The accounts are required to show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the financial transactions for the scheme year and the amount and disposition of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the scheme year and include a statement as to whether the accounts have been prepared in accordance with Statement of Recommended Practice - Financial Reports of Pension Schemes ("SORP") (Revised May 2007), subject to any material departures disclosed and explained in the accounts.

Accounting standards generally accepted in Ireland in preparing accounts showing a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board. Accordingly, the Trustee must ensure that it has supervised the preparation of the Scheme accounts and ensure that:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made; and
- the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the Scheme containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), including accounts which show a true and fair view of the financial transactions of the Scheme in the year under review and of the assets and liabilities at the year end, other than liabilities for pensions and other benefits payable after the year end. It is also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Signed by the order of the Trustee

D. O'BRIEN	**R.P. TREACY**
Director of Trustee company	**Director of Trustee company**

Approved by the Trustee on 20th November 2013.

Actuarial Statement 2013

TOWERS WATSON

I last carried out an actuarial valuation of Construction Executive Retirement Savings (the "scheme") as at 31st May 2013.

The results of the valuation show that based on the assumptions used for the purposes of the valuation, the assets of the scheme were sufficient to meet the values of the following at 31st May 2013:

1. Pensions in payment;

2. Deferred benefits for members who have left service which are not covered by the pension arrangements for participating employers;

3. Guaranteed benefits for employed members in respect of service completed to 31st May 2013 which are not covered by the pension arrangements for participating employers; and

4. Funds calculated in respect of the pension arrangements for participating employers.

Separate actuarial valuations are carried out for defined benefit pension arrangements for participating employers in order to determine the contribution rates required for these arrangements.

Actuarial valuations are not required for defined contribution pension arrangements.

It is intended that the next valuation of the scheme will be carried out as at 31st May 2014.

DMcNamee FSAI
Consulting Actuary
Towers Watson Ireland Limited

19 November 2013

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE

We have audited the financial statements of the Construction Executive Retirement Savings for the year ended the 31st May 2013 on pages 30 to 37 which have been prepared in accordance with the accounting policies set out on pages 32 and 33.

This report is made solely to the Scheme's Trustee, as a body, in accordance with Section 56 of the Pensions Act 1990 and Regulations made thereunder. Our audit work and our work on contributions has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in such an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our audit work, our work on contributions, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustee and independent auditors in relation to the financial statements

As described in the Statement of Trustee Responsibilities on page 26, the Scheme's Trustee is responsible for ensuring that the financial statements are prepared in accordance with applicable Irish pension law and the accounting standards issued by the Accounting Standards Board and published by the Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view of the financial transactions of the Scheme during the scheme year and of the amount and disposition of its assets and liabilities other than liabilities to pay benefits in the future; and whether the financial statements contain the information specified in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended). Because the financial statements include the transactions of individual schemes on an aggregate basis, we do not report to you whether the contributions payable to the Scheme during the scheme year have been received by the Trustee within thirty days of the end of the scheme year end and whether, in our opinion, the contributions payable to the Scheme during the scheme year have been paid in accordance with the Scheme rules and with the recommendations of the actuary.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by or on behalf of the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Scheme's circumstances, consistently applied and adequately disclosed. Our work also includes examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. Because of the nature of the Scheme we have not checked that the contributions have been paid in accordance with the Scheme rules and the recommendations of the actuary nor have we checked that the contributions payable to the Scheme during the scheme year have been received by the Trustee within thirty days of the end of the scheme year end. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements:

- show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the financial transactions of the Scheme for the year ended 31st May 2013, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in The Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

Emphasis of matter

In forming our opinion we have considered the adequacy of the disclosures made in notes 1(b) on page 30 to the financial statements in relation to contributions recognised on a cash receipts basis. While our opinion is not qualified in this respect, International Auditing Standards require the auditors to draw this fact to the attention of the readers.

In addition, as set out in the basis of preparation of the financial statements on page 32, the transactions and assets in respect of the individual schemes for participating employees are included in the financial statements on an aggregate basis. Because of this and as explained above, in the respective responsibilities of the Trustee and independent auditors to the financial statements, we have not reported on the position relating to contributions payable, which are dealt with separately on an individual participating employer basis.

GRANT THORNTON

Chartered Accountants & Registered Auditors

24 – 26 City Quay

Dublin 2

20th November 2013

07
Fund Accounts for the Year Ended 31st May 2013

Contributions and Benefits

	Note	2013 €	2012 €
Contributions		14,611,923	14,799,975
Transfers in from other schemes		162,429	445,840
Insurance Receipts		519,626	1,837,360
		15,293,978	17,083,175
Benefits	2	(18,255,365)	(19,309,541)
Leavers	3	(18,309,025)	(19,879,092)
Other payments	4	(3,515,891)	(3,621,159)
Administrative expenses	5	(1,928,887)	(1,875,929)
		(42,009,168)	(44,685,721)
Net withdrawals from dealings with members		(26,715,190)	(27,602,546)
Returns on investments			
Investment income	6	317,260	295,685
Change in market value of investments	7	57,631,412	18,603,300
Investment management expenses	8	(130,387)	(125,159)
Net returns on investments		57,818,285	18,773,826
Net increase (decrease) in the fund during the year		31,103,095	(8,828,720)
Net Assets of the Scheme as at 1st June 2012		412,489,113	421,317,833
Net Assets of the Scheme as at 31st May 2013		443,592,208	412,489,113

These financial statements were approved by the Trustee on the 20th November 2013 and are signed on their behalf by:

D. O'BRIEN
Director of Trustee company

R.P. TREACY
Director of Trustee company

	Note	2013 €	2012 €
Investments	7		
Pooled and directly held investments		442,134,703	411,283,166
Current assets			
Current assets	9	1,332,431	502,910
Cash at bank		466,662	1,989,634
		1,799,093	2,492,544
Current liabilities			
Liabilities - amounts falling due within one year	10	(341,588)	(1,286,597)
Net Assets of the Scheme at 31st May 2013		443,592,208	412,489,113

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Actuary's Report on page 27 and the financial statements should be read in conjunction with it.

These financial statements were approved by the Trustee on the 20th November 2013 and are signed on their behalf by:

D. O'BRIEN

Director of Trustee company

R.P. TREACY

Director of Trustee company

ACCOUNTING POLICIES

Basis of accounting

The Scheme was established by a Trust Deed dated 1st May 1971. The Scheme is now governed by a Definitive Trust Deed and Rules dated 12th March 2002. The Scheme has been approved by the Revenue Commissioners. The Scheme pays pensions to retired members from the resources of the Scheme and in the period up to retirement, individual member accounts are maintained within the Scheme for each member on a defined contribution basis.

The financial statements record the transactions of the Scheme during the period and summarise the assets held by the Trustee at the end of the financial year. The transactions and assets in respect of individual schemes for participating employees are included in the financial statements on an aggregate basis.

The financial statements have been prepared in accordance with the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised May 2007), published by the Pensions Research Accountants Group. The financial statements have been prepared in accordance with applicable accounting standards generally accepted in Ireland and under the historical cost convention with the exception of investments which are accounted for at market value. Accounting standards generally accepted in Ireland in preparing financial statements showing a true and fair view are those published by the Institute of Chartered Accounts in Ireland and issued by the Accounting Standards Board.

Fund account

(a) Valuation of investments

Investments are stated at market value on the final working day of the accounting period as follows:

Pooled investment vehicles are stated at the closing bid prices quoted by the fund managers.

(b) Contributions

Contributions are recognised for the overall scheme on a cash receipts basis when they are received by the Scheme. This treatment is at variance with the requirements of Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007) and FRS 12 'Provisions, Contingent Liabilities and Contingent Assets'. This policy is adopted because of the unique nature of the scheme. The Trustee of the Scheme is unable to estimate what contributions are due to the Scheme until returns are made by employers on behalf of the scheme members in their employment.

(c) Benefits Payable

Benefits are accounted for in the year in which they fall due and represent all benefits payable to leavers prior to the Scheme year end.

(d) Foreign exchange

Investments and current assets denominated in foreign currencies are translated into their Euro equivalents at the rates ruling at the year-end. Transactions during the year have been translated at the rate of exchange ruling at the date of the transactions.

ACCOUNTING POLICIES (continued)

(e) Investment income

Income from quoted securities is accounted for when received. Income earned on investments in unit linked funds is not distributed but is accumulated with the capital of the funds. Any investment income earned relates to distributions actually paid out by the Investment Managers.

(f) Investment management fees

Investment management fees are calculated as a percentage of the assets under management. Fees relating to unit funds are levied directly in either the unit price or by surrendering units from the Scheme to the value of the fee. Fees incurred in the year relate to funds managed on a segregated basis. All fees are borne by the Scheme.

(g) Transfer to / from schemes

Transfer values are accounted for as they are received / paid at values determined by the Actuary advising the Trustee.

(h) Taxation

The Scheme has been approved as an "exempt approved scheme" for the purposes of Section 784 and 785 of the Taxes Consolidation Act, 1997 and thus the Schemes income and gains are exempt from taxation with the exception of the Pension Levy which is borne by the Scheme. The levy was introduced by section 4 of the Finance (No. 2) Act 2011 under section 125B of the Stamp Duty Consolidations Act 1999 which introduced a four-year annual levy of 0.6% on the aggregate market value of private pension funds at a fixed valuation date of 30 June for each of the years 2011 to 2014 inclusive.
This Pension Levy is accounted for in full in the year that it is paid.

2. Benefits

	2013 €	2012 €
Pensions	12,361,121	11,823,831
Lump sum death benefits	523,634	414,671
AVC early drawdown	86,380	–
Lump sum retirement benefits	5,284,230	7,071,039
	18,255,365	19,309,541

3. Leavers

	2013 €	2012 €
Refund of member contributions	42,428	57,290
Transfer to other pension arrangements	9,578,718	14,350,228
Transfer to approved retirement funds	8,687,879	5,471,574
	18,309,025	19,879,092

4. Other payments

	2013 €	2012 €
Insurance of risks	1,061,604	1,224,999
Pension Levy	2,454,287	2,396,160
	3,515,891	3,621,159

Death and ill-health retirement benefits are substantially insured for the year under review by Irish Life. Substantially all of these amounts have or will be collected. These amounts are recovered and included in contribution receipts from participating employers. In the long term there is no expense to the fund.

The Scheme is subject to an annual pension levy of 0.6% on the aggregate market value (excluding contingent assets) of Scheme assets commencing on 30 June 2011 for four years (from 2011 to 2014 inclusive).

5. Administrative expenses

	2013 €	2012 €
Administration charges	1,650,000	1,650,000
Pension Board fees	4,585	4,370
Legal and consultancy fees	58,498	100,193
Trustee costs	52,775	27,637
Other administration charges	–	55,827
New pension administration system	126,732	–
Audit fee	33,770	33,740
Bank charges	2,527	4,162
	1,928,887	1,875,929

6. Investment income

	2013 €	2012 €
Deposit interest	192,659	107,107
Quoted and other securities	124,601	188,578
	317,260	295,685

7. Investments

	2013 €	2012 €
Main fund - Pooled investment vehicles		
Equities		
Irish	178,345	131,700
United Kingdom	9,320,250	8,384,303
Rest of Europe	16,669,466	14,927,777
U.S.A.	46,530,779	47,163,543
Japan	7,699,974	6,867,201
Other	19,994,150	20,361,850
	100,392,964	97,836,374
Fixed interest	32,761,057	31,016,602
Property	13,063,814	13,666,456
Cash and cash instruments	12,814,233	18,240,844
	159,032,068	160,760,276

7. **Investments (continued)**

	2013 €	2012 €
Pensioner fund - Pooled investment vehicles		
Fixed interest Eurozone	8,210,836	5,619,954
Directly held		
Cash	356,204	406,023
Fixed interest - Eurozone	218,563,148	197,709,957
	227,130,188	203,735,934
Cash fund		
Pooled investment vehicles - Irish	48,744,691	41,683,059
Cash on deposit	7,227,756	5,103,897
	55,972,447	46,786,956
Total investments	442,134,703	411,283,166

	Value brought forward €	Purchases at cost €	Sales proceeds €	Change in market value €	Value carried forward €
Pooled and directly held investments	406,179,269	7,370,188	(36,273,922)	57,631,412	434,906,947
Cash on deposit	5,103,897				7,227,756
	411,283,166				442,134,703

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amounts of indirect transactional costs are not separately provided to the Scheme.

8. Investment Management Expenses

	2013 €	2012 €
Investment manager fees	130,387	125,159

9. Current Assets

	2013 €	2012 €
Risk premium prepaid	438,396	500,000
Pension payroll	822,964	–
Pension Board fees	2,345	2,910
Prepayments and accrued income	68,726	–
	1,332,431	502,910

10 Creditors and Accruals

	2013 €	2012 €
Sundry accruals	38,967	–
Investment managers fees	28,723	24,242
Audit fees	33,210	33,880
Legal fees	10,981	5,368
Lump sum death benefit accruals	–	1,020,287
PAYE/PRSI payable	229,707	202,820
	341,588	1,286,597

11. Potential Benefit Liabilities

The Trustee is not aware of any significant potential liabilities that exist at the year end which relate to members leaving or retiring from the scheme at or before the year end.

12. Related Party Transactions

An administration charge of €1,650,000 (2012: €1,650,000) was charged by the administrator, CIF Pension Administration Services Ltd. There was no amount due to the administrator at 31 May 2013 (2012: €nil).

Trustee costs amounted to €52,775 (2012: €27,637).

13. Subsequent Events

Since the year end, there have been no events that would require amendment to or disclosure in the financial statements.

08
Internal Disputes Resolution Procedure

Internal Disputes Resolution Procedure (or IDRP) is a set of procedures drawn up in order to deal with certain types of complaints that may be made by actual or potential beneficiaries of the pension plan.

Two types of complaint are eligible for the IDRP:

1. An actual or potential beneficiary alleges that they have sustained a financial loss due to maladministration, or

2. An actual or potential beneficiary has a dispute of fact or law in relation to an action taken by a person responsible for managing the scheme.

The Pensions Ombudsman can only consider complaints that have already gone through the IDRP. Complaints may be referred to the Ombudsman if, having gone through IDRP, you are not satisfied with the outcome.

Complaints should, in the first instance, be brought with any supporting documents to your employer's pension contact and be discussed. If a resolution is not agreed you can contact the Scheme Administration at Canal House, Canal Road, Dublin 6. (Phone 01 407 1430).

If you are not satisfied with the Administration's response then you can bring your complaint or dispute to the Trustee. The complaint must be brought in writing in the prescribed format. On receiving the letter, the Trustee or their representatives will initially assess the complaint. They will consult with any parties involved in the dispute. They will provide these parties with details of the case and consider their recommendations. The Trustee may also discuss the case with expert advisers and seek their opinion on the merits of the case.

The Trustee will make a decision in relation to the complaint or dispute and respond to the complainant in writing in a prescribed format within three months of receipt of the required information from the complainant. This response is referred to as a Notice of Determination.

If any party to the dispute does not accept the decision of the Trustee, they are then free to refer the matter to the Pensions Ombudsman at 36 Upper Mount Street, Dublin 2, for final adjudication.

For full details of the Internet Dispute Resolution procedure, please contact the Administration team.

Notes

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